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A MATTER OF POLITICAL RESPONSIBILITY: REAL PROPERTY ASSESSMENT IN WINNIPEG

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by

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PREFACE

This report was prepared by the Institute of Urban Studies during the past several months. The final draft was written by Alan F.J. Artibise, based on research and interviews undertaken by Sherryl Steinberg and Ian Restall. We wish to thank the many city and provincial officials and politicians who took time to discuss the assessment situation.

It is the Institute's belief that the City of Winnipeg faces a very serious situation in respect to real property assessment. It is our belief that this report will enable Winnipeg residents to more clearly understand the "current disorder" and that our politicians will respond quickly and responsibly in terms of fulfilling their clear responsibilities.

Alan F.J. Artibise
Director
November 28, 1984

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1.0 INTRODUCTION

Real property assessment reform has been the subject of considerable discussion and controversy during the past decade. Several studies have been undertaken and commissions appointed to examine the implications of and the problems associated with a reassessment of real property in Manitoba, yet many citizens have a sense that little positive action has been taken to alleviate problems and to implement reform. This paper is intended to examine the current inequities, the recommendations for reform, and the political responses -- both by the City of Winnipeg and the Province of Manitoba -- to the "current disorder." The report concludes by setting out a clear-cut plan of action.

The focus of this paper is the City of Winnipeg rather than the other 201 municipalities in the province. While this report will demonstrate that there is an intimate relationship between the City and the Province in the realm of real property assessment, the situation in Winnipeg is in many respects distinct.

2.0 HOW THE CURRENT ASSESSMENT SYSTEM WORKS

In 1979-80, a survey of municipal councillors in Manitoba revealed that 92% of ratepayers did not understand the assessment system.[1] This should come as no surprise since even tax notices are complex documents. Indeed, it would be fair to assert that even in government few individuals understand both how the current system works and what impact real property assessment reform might have on individuals or the economy in general. It is not the goal of this paper to examine all the complexities of the real property assessment system. But some basic terms and explanations are fundamental to understanding the case that is developed in the following pages.

2.1 CONCEPTS AND DEFINITIONS

The "assessment system" involves a variety of concepts, terms, and steps.

2.1.1 Valuation

The designation of an appropriate value on real property (land and buildings) is the crucial step in the process. There are many different approaches to determining value in different jurisdications, ranging from a "market value" system to more complex approaches such as those described below in Section 2.2. *The key, however, is to assign to each property an appropriate value using an approach (or "yardstick") that is understood by property owners.*

2.1.2 Classification

The assessment system classifies property according to its use; i.e., property is classified as residential, commercial, industrial, etc. The importance of classification is that it is used with differential mill rates to raise taxes, with some classes of properties paying more taxes than others. The classification system identifies the nature of a property, the use to which a property is put and the status of the property in relation to various exemptions.

It must be emphasized here that tax exemptions -- such as those granted to church properties -- are related to "tax policy," decisions made by governments based on policies they wish to pursue. In other words, tax exemptions, rebates, etc. are external to the "assessment system" which is -- or should be -- an objective method of determining the value of real property.

2.1.3 Assessment

This refers to the actual value given to a property based on the "yardstick," Under present legislation there is no difference between the terms "valuation" and "assessment." Thus, the terms valuation and revaluation, assessment and reassessment are interchangable. The value given to real property in Winnipeg at present is based on 1949-50 level of values. Although these assessments (or valuations) are out-of-date, they are used for current taxation purposes.

2.2 The Current Method of Assessment

Land and buildings in Winnipeg are assessed (or valued) using the following methods (or yardstick).

2.2.1 Land Assessment

There are two categories of factors affecting land values for assessment purposes:

1) Those which are evident in the physical property itself, such as the frontage, depth, shape, topography and location in relation to street corners and lanes. These factors are recorded for each property and adjustments to the frontage are made on a standard basis to arrive at a comparable equivalent frontage for each parcel of land on the assessment rolls.

   Agricultural land and certain types of industrial lands are dealt with on an acreage basis.

2) The second category includes matters relating to the property, such as the availability of municipal services (sewer, water, street and lane pavements, etc.); the location of the property in the district; zoning; access to transportation; and the availability of amenities such as schools, churches and shopping facilities.

The land value rates are then established, reflecting a relationship with current average market values in the area. Land is assessed at 100% of value, but buildings which are dealt with separately, are assessed at two-thirds of value.

2.2.2 Building Assessments

The initial approach to all building assessment is the reproduction and/or replacement cost less normal depreciation method. A uniform level of structural costs is established. If a uniform cost base was not established, the assessed values of similar new buildings would differ according to the year in which they were built. Because of fluctuating construction costs, a building cost manual is utilized to fix the replacement/reproduction cost base. The manual contains detailed cost analyses of typical buildings in various classes. Prices for all basic materials used in building construction and rates for all types of construction labour were compiled and used for the manual. The resulting costs are shown as a cost per square foot and cubic foot, and standard cost adjustments for structural differences between the types distinguished in the manual and the actual buildings were scheduled. Depreciation allowances are then made to account for loss in value due to normal wear and tear.* Final decisions with respect to additional losses in value are subject to an inspection of the building, the income produced by the property, and other evidence available in the market place.[2]

2.3 The Uses Made of Assessment

The City of Winnipeg collects taxes from property owners for three basic purposes: municipal taxes, school division taxes, and education

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* This depreciation allowance has not been used since 1962. Therefore, all residential properties added to the tax rolls since 1962 are treated as being of the same age which, in the absence of reassessment, means "new."

support levies. In terms of education taxes, the amount of money to be raised is determined by School Boards and by the Province. The City, in other words, collects these taxes but does not determine the level of education taxes.

It must be emphasized here that while education taxes represent a significant portion of property owners's tax bills (see Table 1), and while the amount a property owner pays is based on the assessed value of his/her property, the City does not set these tax levels. It is noteworthy, however, that if the assessed value of a property is unjust and unfair, the taxes paid for school taxes or the education levy will also be unjust and unfair. There is, in short, an intimate relationship between property assessment and education taxes. Nevertheless, this report will deal only with the municipal portion of the property owners tax bill, even while recognizing that in doing so the extent of the problems that will be identified will be underestimated.

Municipalities determine actual taxes through the use of a mill rate. The mill rate is established by dividing the total amount of the municipality's actual assessment into the total dollars required by the municipality, and multiplying the result by 1000. The mill rate established is then applied to the individual assessments of all property owners in the municipality to raise the required municipal taxes.

Thus, if a property has an assessed value of $10,000 and the municipal mill rate is set at 113.197 (as it was in the City of Winnipeg in 1984), the taxes are ($10,000 x 113.197) $1,131.97 . In many instances, the amount of tax actually paid is lowered by special rebates or reductions that have nothing to do with the assessment system per se, but rather with a government's tax policies. Thus, in 1984 for example, residential property owners received a reduction in taxes under the "Manitoba Resident Home Owner Tax Assistance" program.

2.4 The Problem

The balance of this paper discusses the issue of valuation or assessment. The fact is that since Winnipeg properties have not been reassessed on a regular basis, large numbers of property owners have been obliged to pay tax bills that are based on valuations that are unjust. This report does not question or debate the method of determining value, but rather demonstrates that in many cases the assessed values themselves are unfair. Put another way, there are many thousands of instances in the City of Winnipeg where property owners are paying taxes based on assessments that are either thousands of dollars too high or thousands of dollars too low. And, in terms of the municipal portion of the property tax, each $1,000 represents in 1984 for residential property owners an underpayment or overpayment of ($1,000 x 113.197) $113.19. In gross terms, it is impossible to estimate the total amount of underpayment or overpayment but it is almost certainly a figure in the tens of millions of dollars.

3.0 RECENT HISTORY OF ASSESSMENT

The last general reassessment in the former City of Winnipeg was commenced in 1958 and completed in 1962. The level of value on which the assessment was based was approximately 75% of 1957 values. The resulting assessment approximated 1949-1950 level of values.

Prior to the establishment of the Metropolitan Corporation of Winnipeg in 1961, each municipality was responsible for its own assessment functions either directly or through the Assessment Branch of the Provincial Department of Municipal Affairs. With the advent of Metro, all assessment functions were combined in the Metro Assessment Division, with the Assessment Commissioner of the City of Winnipeg being appointed Director of Assessment for the entire Metro area.

The reassessment that commenced in 1958 was completed by 1962 and became part of the City of Winnipeg assessment roll. A reassessment of the other municipalities included in the Metropolitan Corporation of Greater Winnipeg was completed and entered in the municipal assessment rolls during the years 1964, 1965, and 1966. The level of assessed values established in the first Metro Winnipeg reassessment has continued as the basis of all real property assessment in the City of Winnipeg to this time. This assessment reflects land at 100% and buildings at 2/3 of 1949-50 values.[3]

During the mid-1970s, the Assessor of the City of Winnipeg and the Provincial Municipal Assessor began to update existing assessments in the City and the Province to a 1975 level of value.* The City's reassessment was completed by 1978, and it was proposed that this updated assessment role would be implemented for the 1981 taxation year. However, this reassessment was never implemented and in 1984 assessments are still based on the 1949-50 level of values.

It is noteworthy that Winnipeg City Council has not fulfilled its statutory obligation in terms of assessment. Under the terms of the City of Winnipeg Act, property within Winnipeg is to be reassessed every three (3) years.[4]

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*This reassessment was not based on a physical inspection of properties. Rather, the City of Winnipeg employed what is termed "factoring-up" existing (i.e., 1949-50 values) property assessments based on estimates of changes in value. The problem with this approach, of course, is that it is an estimate. It may remove many inequities, particularly in the case of land values, but it also may create new inequities, particularly in the case of building assessments. In the latter instance, for example, major additions and renovations will not always be included in the "factoring-up." The reassessment undertaken in the rest of the Province, in contrast, was based on a door-to-door physical reinspection of all properties.

Several reasons have been advanced by civic politicians and officials in an effort to explain why the City has not fulfilled this statutory obligation. Among these reasons, the following are the most significant:

a) During the 1960s and 1970s, new developments occurred at a rapid pace in the City. As a consequence, the City was able to generate considerable revenue based on new property (referred to as "found assessment").

b) In the context of continued growth, the City's assessment staff was hard pressed to keep up with new assessments and, in the absence of significant public pressure to reassess, was not ordered by City Council to meet the terms of the Act.

c) With the structural changes in government that occurred with the formation of Metro and Unicity, tax reassessment was viewed as a low priority issue.

d) The majority of property owners in Winnipeg did not understand the assessment system. They were unable to relate the assessment figure on their tax notice to the value of their property. This enabled the City of Winnipeg to continue raising municipal revenues based on an outmoded level of assessment, simply by applying new mill rates. Had property owners understood the system, it is likely that they would have demanded regular re-assessment.

These reasons go some way in explaining the situation between 1962 and 1975. In 1975, however, the City of Winnipeg did begin the process of reassessment based on 1975 values. This reassessment was completed in 1978, but it was never implemented. The reasons for this lack of action in 1978 are clear. The fact is that the City Assessor noted that "major shifts in values between classes [i.e., residential, commercial, industrial] of property" would have occurred since the inflation of property values in the 1970s had resulted in

a sharp rise in residential property when compared to industrial and commercial property.[5] Put more simply, the City realized that the new assessment "would have resulted in a large increase in property taxes for most farm and residential property taxpayers within the City and a reduction in property taxes for most industrial and commercial properties."[6] And since City Councillors realized there were more residential than commercial or industrial property owners who voted -- and who would be upset by sharp tax increases -- they sought to solve their political dilemma by turning to the Province.

It must be emphasized here that had the City conducted re-assessments on a three year cycle, as required by the City of Winnipeg Act, this political issue would have been largely diffused. The dramatic shift that was evident in 1978 would have been gradually adjusted throughout the 1960 and early 1970s. In other words, rapid inflation played a role in creating the problem that became so evident in 1978, but it was not the main culprit. The inactivity on the part of successive City Councils in respect to reassessment was the fundamental cause of the problem that was "suddenly" apparent in 1978.

Recognizing the serious political problem they faced, City Councillors urged the Province to assist them. The government of the day, headed by Conservative Premier Sterling Lyon, appointed the Manitoba Assessment Review Committee on July 25, 1979, to review the assessment system throughout the Province, including Winnipeg. Winnipeg City Council had, for the moment at least, relieved itself of a terrible political burden.

The Manitoba Assessment Review Committee (M.A.R.C.) was ordered to enquire into and report on all aspects of real property assessment

in Manitoba, including:

1) the level at which real property should be assessed in Manitoba;
2) exemptions from real property; and
3) the administrative organization for carrying out real property assessment.

4.0 CURRENTLY EXISTING INEQUITIES

The Manitoba Assessment Review Committee submitted its First Interim Report on February 15, 1980. Many of the inequities resulting from the existing assessment system, and from the lack of regular reassessment, were highlighted. The M.A.R.C. Report stated that assessment of property in the City of Winnipeg and in the Province was not being carried out at the same level, was not being updated at the same intervals, and was not subject to satisfactory equalization* for the equitable distribution of school costs.[7]

It is possible to categorize the problems identified by M.A.R.C. (and, subsequently, by others) into two groups: inequities between classes of properties; and inequities within classes of properties.

4.1 Inequities Within a Class of Properties

4.1.1 Residential

A fundamental inequity was identified in the residential class of properties. The assessment sales ratios for similar properties

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*Equalization is a complex aspect of the current assessment system. A detailed explanation can be found in the M.A.R.C. Report, pp. 225-229. It is notable, however, that City of Winnipeg taxpayers pay "some $8 million a year more than they should." See Report of Official Delegation to City Council, January 28, 1983.

bearing similar sales prices varied dramatically. The assessment sales ratio numerator is the assessed value of the property, and the denominator is the recent sale price of the property. Thus the ratio indicates the relationship between the assessed value of a property and its market value. Ideally, the numerator and denominator should be equal. The M.A.R.C. Report contained a schedule listing a sample of residential sales in the City of Winnipeg for the period of June to December, 1979.[8] The assessment sales ratio varied from 15.9% for a $25,000.00 home in the Inner City of Winnipeg to a 10.8% assessment sales ratio for a home valued at $125,000 in Charleswood. The higher the assessment sales ratio, the less inflation there has been for that price range of homes, and the lower the assessment sales ratio, the greater the escalation in value there has been for that price range of homes.[9] Thus, it was evident that the value of property, for example, in Charleswood, had increased by a much greater degree than property in the Inner City of Winnipeg.

The problem being identified was simply that areas (such as the inner city) that had experienced slower rates of inflation were being taxed significantly more than were properties in areas where inflation rates were higher. As a consequence, inner city property owners were subsidizing suburban property owners.

The reason why these inequities occurred was because reassessments had not been conducted on a regular basis. Reassessment would have made regular adjustments in land and building values and thus lowered rates for inner city properties and raised rates for suburban properties. By 1980, however, the problem was severe. In addition, the inequities were compounded for new properties because, when new assessments were undertaken, the assessors compared the subject property to similar properties in the area.[10]

A further inequity occurred because urban homes were assessed at 2/3 of value. Therefore, the higher the property in value, the bigger the tax advantage. For example, a house valued at $60,000.00 was assessed on a level of value of $40,000.00. A house valued at $120,000.00 was assessed on a level of value of $80,000.00. The more expensive the property, the larger the untaxed value.[11] Furthermore, as reassessments lagged, differentials grew.

A recent survey of houses in the City of Winnipeg yielded the findings contained in Table 1. It is apparent that there is neither rationale nor consistency among the assessments indicated in the Table. The results indicate the scope of the inequities that exist today and that will continue to exist until a reassessment is conducted. A house selling at $142,500.00 in Charleswood, was assessed approximately the same amount of municipal taxes ($1,173.85) as a house selling in the inner city for $42,000.00 ($1,180.64). A house on Inkster which sold for $54,000.00 was assessed municipal taxes in the amount of $761.83 whereas a house in River Heights which sold for $74,900.00 was assessed municipal taxes in the amount of $724.46. A more extreme example is a house on Sherbrooke Street which sold for $22,000.00 and was assessed municipal taxes in the amount of $822.94, in contrast to a house in Riverview which sold for $105,000.00 and taxes were assessed at $695.03.

4.1.2 Commercial

The most glaring inequities within this class of properties are the variance in assessments among properties on Portage Avenue, the remainder of the downtown area, and the regional suburban shopping centres.

In 1957, the focal point of the City of Winnipeg was the area between the T.Eaton Department Store and The Bay Department Store along the south side of Portage Avenue. In the late 1950s, however, new construction and shopping facilities began to affect the downtown

TABLE 1:

Select Cases of Inequitable Assessed Values and Taxes in the City of Winnipeg for Residential Properties

CASE A

Address	130 Aikens	5596 Betsworth
Area	Inner City	Charleswood
Total current assessment	$ 10,430.00	$ 10,370.00
Municipal Taxes	$ 1,180.64	$ 1,173.85
School Taxes*	$ 894.84	$ 903.55
Recent selling price (or market value)	$ 42,000.00	$142,500.00

CASE B

Address	271 Yale	150 Carpathia
Area	Crescentwood	River Heights
Total current assessment	$ 8,820.00	$ 10,310.00
Municipal Taxes	$ 998.40	$ 1,167.07
School Taxes	$ 756.69	$ 884.51
Recent selling price	$136,900.00	$ 74,900.00

CASE C

Address	499 Sherbrook	333 Baltimore
Area	Inner City	Riverview
Total current assessment	$ 7,270.00	$ 6,140.00
Municipal Taxes	$ 822.94	695.03
School Taxes	$ 623.70	526.77
Recent selling price	$ 22,000.00	105,000.00

* The mill rate for school taxes varies from school division to school division.

TABLE 1, continued

CASE D

Address	928 Dorchester	76 Southwell Road
Area	Fort Rouge	East Kildonan
Total current assessment	$ 8,610.00	$ 6,120.00
Municipal Taxes	$ 974.63	$ 692.77
School Taxes	$ 738.67	$ 544.00
Recent selling price	$ 46,500.00	$ 70,000.00

CASE E

Address	750 Inkster	411 Waverly
Area	West Kildonan	River Heights
Total current assessment	$ 6,730.00	$ 6,400.00
Municipal Taxes	$ 761.83	$ 724.46
School Taxes	$ 577.38	$ 549.07
Recent selling price	$ 54,000.00	$ 74,900.00

CASE F

Address	622 Sherbrook	459 Waverly
Area	Inner City	River Heights
Total current assessment	$ 7,980.00	$ 7,600.00
Municipal Taxes	$ 903.31	$ 860.30
School Taxes	$ 684.62	$ 652.02
Recent selling price	$ 38,500.00	$ 88,000.00

* Source: These residential properties were selected at random. The data was collected in October 1984 by Peter Smoczynski of CBC Television, Winnipeg.

area. Large shopping centres were built in the suburbs, and these developments drew people away from the downtown area. The following is a partial list of these shopping centres:

1) Polo Park - 945,516 sq. ft. built in 1959
2) Grant Park - 420,137 sq. ft. built in 1963
3) Garden City - 444,636 sq. ft. built in 1970
4) Unicity Mall - 552,854 sq. ft. built in 1975
5) St. Vital Mall - 709,225 sq. ft. built in 1979
6) Kildonan Place - 505,860 sq. ft. built in 1980.

The change in shopping habits away from downtown seriously affected the sales volumes of downtown stores.

The results of a recent study illustrate the discrepancies in assessments for properties in the downtown area, Portage Avenue and the regional shopping centres. The findings are contained in Table 2.

A few examples from Table 2 serve to substantiate the inequities. A property on the north side of Portage Avenue is assessed at $32.96 per square foot. In contrast, a property situated on Broadway Avenue is assessed at $4.86 per square foot. The Bank of Canada Building in the Portage and Main area is assessed at $3.46 per square foot, while St. Vital Shopping Centre is assessed at $0.25 per square foot.*

4.2 Inequities Between Classes

Inequities between classes are evident in the relationship of assessments to the actual value of the property. The following graph indicates the variance of assessment to actual value by class of property for the City of Winnipeg.[12] What is clear is the growing discrepancy

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*These figures relate to land value only, not land and building value.

TABLE 2

Comparison of Land Assessments in the Downtown Area, Portage Avenue, and Regional Shopping Centres

		Assessment Per Sq. Ft.
Portage & Main Area		
-Bank of Canada Building 3 Lombard Place		$ 3.46
-Westin Inn 2 Lombard Place		$ 3.40
Portage North Side		
-Between Kennedy & Edmonton 407		$ 18.10
-Between Edmonton & Carlton 377/79		$ 13.54
-Between Carlton & Hargrave 353/55		$ 22.61
-Between Hargrave & Donald 305/11		$ 29.92
-Between Donald & Smith 301/33		$ 32.96
Broadway Avenue		
-North side between Fort & Garry	Greyhound	$ 3.24
-South side between Fort & Garry	Hotel Fort Garry	$ 2.80
-North side between Smith & Donald 287		$ 4.86
301		$ 4.23
-South side 280		$ 4.64
-North side between Hargrave & Carlton 333		$ 3.89
-South side 338		$ 4.23

TABLE 2, continued

Shopping Centres

Land Assessment Per Square Foot

Name	Sq. Ft. Land Area	Rate Per. Sq. Ft.
St. Vital	2,162,536	$ 0.25
Kildonan Place	1,527,649	$ 0.25
Unicity	1,746,712	$ 0.25
Garden City	1,572,515	$ 0.25
Polo Park	2,439,217	$ 0.70

SOURCE:

This study was conducted by E. Karl Farstad & Associates Ltd. for the purposes of assessment appeal by the Portage Avenue Landowners, and submitted to the Portage Avenue Property Owners on October 26, 1984.

between the assessment and actual value of each class of property as a percentage of the total assessment and actual value of property within Winnipeg. Graph 1 illustrates that in 1975 the assessment and actual value of the residential class of property was almost equal. By 1979, the assessed value was 68% of the total Winnipeg assessment, whereas it was actually valued at 64%. In other words, residential property was paying more than its fair share of the tax bill.

4.3 Summary

In reviewing the situation, the M.A.R.C. Interim Report stated:

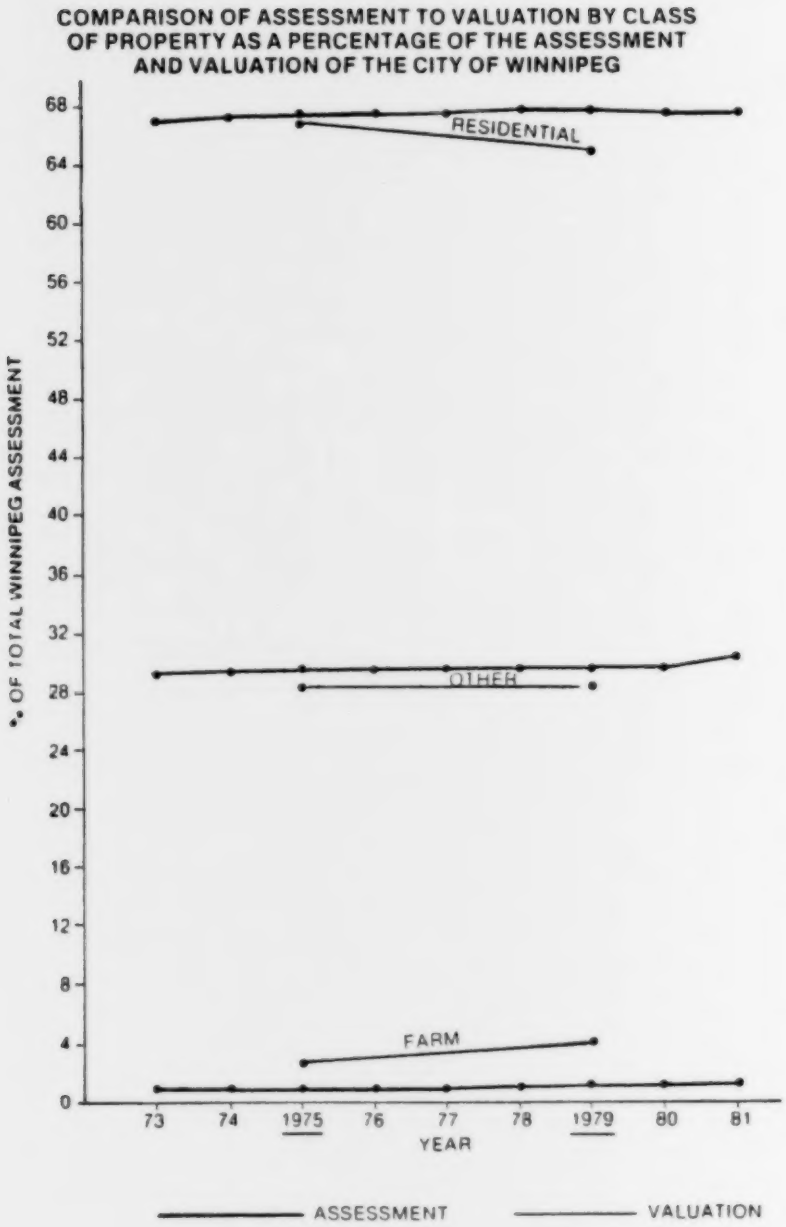
> Inflation has resulted in a large increase in property valuations during the last thirty years. To date [i.e., 1980], these increases have not been reflected in the municipal assessment rolls. As a result, the assessment values have reached a point where they are almost meaningless when related to the current level of property values....Failure to implement more frequent re-assessment programs in the past has resulted in some significant inequities, not only between classes of properties, but also between individual properties within each class....(13)

5.0 RECOMMENDATIONS OF THE MANITOBA ASSESSMENT REVIEW COMMITTEE

The M.A.R.C. made its first recommendations in an interim report tabled in February 1980. It requested that because of the significant inequities, "existing levels of assessment" should be frozen until its work was complete and its recommendations prepared. This view was put forward because any change at that time [i.e., 1980] "would confuse the public as well as municipal officials and would render the consultations presently underway, useless."[14]

Two years later, in a final report, the Committee set out the terms of a reformed system, together with a method of dealing with the

Graph 1


COMPARISON OF ASSESSMENT TO VALUATION BY CLASS
OF PROPERTY AS A PERCENTAGE OF THE ASSESSMENT
AND VALUATION OF THE CITY OF WINNIPEG
% OF TOTAL WINNIPEG ASSESSMENT
68
64
60
56
52
48
44
40
36
32
28
24
20
16
12
8
4
0
RESIDENTIAL
OTHER
FARM
73
74
1975
76
77
78
1979
80
81
YEAR
ASSESSMENT
VALUATION

inequities. The new system involved four key elements:

a) The valuation of all property in the province;

b) The classification of that property in accordance with its use;

c) Assessment using portions of the valuation of all property; and

d) A computerized system capable of providing for automatic mass reassessment of all properties in the province.

The system[15] proposed by the Committee was complex, but it received general support from both municipal governments and the province. From their perspective, the crucial element in the new system in terms of dealing with the difficult political issues was portioning.

The M.A.R.C. Report prepared tables to indicate the shift that would occur between property classes in the event that their recommendations were implemented. Schedule II - c(i) of the M.A.R.C. Report indicated the shifts that would have resulted if assessments were based on 1979 values, with buildings taxed at 2/3 of value. Residential assessments would have increased by 19.81% while commercial and industrial properties would have decreased by 14.34%.

Schedule II - c(ii) illustrated the changes that would have occurred if buildings were taxed at 100% of value. The residential class would have increased by 17.36% and the commercial and industrial class would have decreased by 11.09%.

These sharp shifts in tax distribution between classes of property would be modified by adopting a policy of portioning; that is, the assessment of property that was to be used for taxation purposes would be based on only a portion of the valuation of the property.

Thus, it was estimated that an 8% portion of value would be used for the farm class, a 15% portion for the residential class, and a 16% portion for the commercial class. All properties would be brought up to full value, and then the portion applied to determine what each class would contribute. The portion could be changed gradually to alleviate the harsh impact of immediately assessing property at a current level of value.

6.0 PROVINCIAL LEGISLATION RELATING TO ASSESSMENT - BILL 100, BILL 33 AND BILL 105

In February 1980, the Committee recommended that legislation be introduced to maintain the existing levels of assessment until December 31, 1982 in order to provide an opportunity for the Committee to carry out its mandate and report the result of its research.[16] On July 29, 1980, an Act Respecting the Assessment of Property for Taxation in Municipalities in 1981 and 1982, S.M. 1980, c.71 (hereinafter referred to as "Bill 100") was enacted by the government of the Province of Manitoba.

S.4(1) of Bill 100 provided as follows:

> 1980 levels to apply in Winnipeg assessment.
>
> Notwithstanding the City of Winnipeg Act or any other Act of the Legislature, but subject as herein provided, in making assessments for assessment rolls for the City of Winnipeg for the year 1981 and for the year 1982, the assessor shall assess lands, buildings and personal property at the same level of values as were used in assessing lands, buildings and personal property in preparing the assessment roll for the City of Winnipeg for the year 1980.

This Act was subsequently amended by Bill 33, assented to June 30, 1982. The amendment extended the freeze indefinitely.

An Act to Amend the Municipal Assessment Act, S.M. 1982, 1983, 1984, c.88 (hereinafter referred to as "Bill 105") empowers the government to establish portions and classifications for the assessment system. Bill 105 received Royal Assent on August 18, 1983, but it has yet to be proclaimed by the government.

The tabling of the M.A.R.C. Report and the passage of this legislation could and should have resulted in the beginning of a process of tax reform in Manitoba, moving the Province toward the goal of the Report which was, ironically as it turned out, entitled A Fair Way to Share. Unfortunately, instead of solving a complex problem, the M.A.R.C. Report touched off a series of events in the City of Winnipeg that made matters worse, not better.

7.0 RECENT REACTIONS TO ASSESSMENT ISSUES

7.1 Portage Avenue Property Owners

Following the enactment of Bill 100, a number of Portage Avenue property owners appealed their assessments for the years 1981-1984 to the Board of Revision, appointed by City Council pursuant to S.186(1) of the City of Winnipeg Act, to hear complaints in respect of assessment. The case was eventually heard by the Supreme Court of Canada which held, in December 1983, that the Board of Revision had the jurisdiction to proceed with the application made by the Portage Avenue landowners for a review of the assessments of their lands. The Court further held that the words "level of value" used in the 1980 legislation (Bill 100) must have been included for a purpose. Therefore, the Court concluded that the amount of the assessed value was not frozen but, rather, that the yardstick by which the assessment was determined was frozen. The examples of Ontario and British Columbia were cited, wherein the wording of the legislation clearly froze the assessment at a previously determined amount. The Court ordered that the parties return to the Board of Revision for the proper application of the legislation to the assessments [Winnipeg v Morguard Properties (1983), 50 N.R. 266. (S.C.C.).]

The Board of Revision heard the case in June, 1984. The Board decided the case on the basis of S.159(3) of the City of Winnipeg Act which states that an assessment must bear a fair and just relation to the amounts other lands in the city are assessed. The Board held that while the properties under appeal had increased in value since the last assessment in 1962, other properties in the downtown area had increased to a far greater degree. In other words, the Portage Avenue Property Owners were being taxed unfairly. The Board, therefore,

ordered that the properties be reassessed by reducing the existing Portage Avenue front foot values by 40%, rounded to the nearest $50.00, for each of the years 1981, 1982, 1983 and 1984.* The Board further ordered that the Assessment Department of the City of Winnipeg conduct a reassessment for the 1985 Assessment Roll of all non-residential lands within the area bounded by the Red River on the East, the Assiniboine River on the South, on the West by the west side of Sherbrook Street, and on the North by the north side of Notre Dame to Albert Street, north to McDermot Avenue and east on McDermot Avenue to the Red River.[17]

7.2 City of Winnipeg

Following the decision of the Supreme Court of Canada and the Board of Revision, Winnipeg's assessor determined that the 40% reduction in assessment for the properties ordered by the Board would cost the city some $5,000,000 in tax refunds. Accordingly, the City has decided to appeal the case to the Municipal Board of Manitoba on the grounds that "a partial reassessment of properties will only create further inequities in the assessment of land in the city." Moreover, Mayor Norrie has stated that "the only way of removing inequities from the assessment situation is to undertake a reassessment of the whole of the City at today's values." In this regard, the Mayor further noted, quoting the Board of Revision, that "the law prevents the City of Winnipeg from conducting a re-assessment of the whole of the city."[18]

This view raises a crucial point regarding interpretations of the existing legislation relating to the freeze. It is an arguable position that between the passage of Bill 100 in February 1980 and

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*The Portage Avenue Property Owners are now appealing this amount. They claim they should receive a reduction of 70%. The appeal before the Municipal Board of Manitoba began on November 19, 1984.

the Supreme Court decision in December 1983 the City believed that it could not reassess property. Given the confusion of the Courts (both the Manitoba Court of Queen's Bench and the Manitoba Court of Appeal argued that Bill 100 stopped the Board of Revision from considering any amendment of valuations) there is clearly a case to be made for the position that nothing could be done between 1980 and 1983. Put another way, the Provincial Government had, in terms of Bill 100, written careless (or, at least, misunderstood) legislation. However, the Supreme Court decision clarified the situation; only the yardstick [i.e., the method of determining value] was frozen, not the amount. In other words, the City of Winnipeg does have the legal authority to undertake to update the assessment rolls based on 1980 values. It is true, as the Mayor noted, that assessment cannot be based on 1984 values because of Bill 100 and Bill 33, but the City is not prevented from undertaking a major reassessment based on 1980 values. Furthermore, the Acting Provincial Municipal Assessor has stated that legal counsel for the Province accepts this interpretation.[19]

This ability to reassess does not, of course, solve City Council's political problems. A reassessment based on 1980 values would cause a massive shift in taxable values from commercial and industrial taxpayers to single family residential taxpayers. In addition, within the residential class of properties, there would certainly be sharp shifts in values (see Table 1, above). Not surprisingly, the City is loath to carry the political burden of these shifts alone. Instead, they have urged the Province to implement Bill 105 since this would soften the impact through the mechanism of portioning. Furthermore, in July 1984, the Mayor urged the Province to remove the assessment freeze to enable properties to be assessed at current values.

This recent position on the part of the City represents a shift

in stance from as recently as February 1983 when the City Council, by resolution,[20] stated:

> That the Honourable Minister be advised that the City recognizes that a comprehensive evaluation of the [M.A.R.C.] Report and a tax impact study must be carried out by the government prior to the implementation of the new assessment system and also recognizes that the legislation which freezes all assessments at the existing levels of value must be continued while the study is in progress.

The reason for this shift in position is obvious. Until the Board of Revision's decision in June 1984, the City was content to wait for the Province to act, both because this stance shifted political responsibility to the senior government, and because the City supported the recommendations of the M.A.R.C. Report. The Board of Revision decision, however, shifted attention straight back to Council since, in light of the Portage Avenue Property Owners' case, it now faced the prospect of having the City's property tax base seriously eroded by appeals. The Mayor's press release of July 6th, 1984, must be viewed in this light. In addition, the current appeal of the Portage Avenue Property Owners to the Municipal Board of Manitoba further threatens the City tax base. The Property Owners are requesting a reduction of 70% rather than the 40% awarded by the Board of Revision, and this would cost the City an additional $3,750,000 for a total loss in property taxes of $8,750,000 in this one case alone. It is also possible - indeed probable - that other property owners will appeal their property taxes, resulting in major losses for the city. It can obviously be assumed that property owners paying too much tax will appeal, rather than those property owners who are benefitting from the current inequities.

It must further be noted that in attempting to shift responsibility to the Province, City Council is mindful of politics. Several key politicians -- including the Mayor, Deputy Mayor, and Chairman of

the Finance Committee -- have charged that the Province is stalling in its implementation of the M.A.R.C. Report recommendations until after the next election because "it would be political suicide for the Province." These charges are untenable, if one assumes that the Province, in implementing reforms, will be politically astute enough to soften any major shifts in assessments between classes of properties through the use of portioning, and changes within classes of properties by implementing them gradually or by using rebates. Indeed, while it is fair to suggest that while the Province is not without blame (as will be outlined below) the City's charges of "politics" are, at best, hollow. The fact is that, ultimately, it is "political suicide" for the Province not to act.

The continuing pressure on Winnipeg politicians is reflected in two recent developments. In late August, several city councillors presented a motion to City Council's Executive Policy Committee calling on the Provincial Government to form a special, all-party committee to look at inordinate tax assessments in downtown Winnipeg.[22] It is interesting to note, however, that this proposal did not make its way either to City Council or to the Provincial Government. By October, however, the Province and the City did begin a series of meetings to discuss the situation.[23] But problems remain.

7.3 The Province of Manitoba

In June 1983, the Standing Committee on Municipal Affairs recommended that the Provincial Government accept the vast majority of the M.A.R.C. Report recommendations. More recently, in June 1984, the Minister of Municipal Affairs issued a press release stating that while he agreed with many of the findings of the M.A.R.C. Report, he was not prepared to institute specific recommendations until firm evidence was on hand to show how these theoretical solutions might actually work.[24] To this end, he reported that:

-funds had been committed to develop an "in house" computerized assessment process which was "vital" to the program. This system would be completed in 36-40 months [i.e., in the late summer of 1987. It is noteworthy that the M.A.R.C. Report estimated that a reformed assessment system could be in place no earlier than the summer of 1987. (25)]

-an effort was being made to update all assessment data so as to deal with the M.A.R.C. recommendations on the basis of complete and up-to-date information

-uniform standards were being developed

-a public education program was being undertaken

-a re-organization of the municipal assessment branch had been undertaken to concentrate on "computerization, building assessment, land assessment, and public education programs."

In terms of empirical evidence the Minister's claims have some merit. Twelve new assessors have been hired by the Province, a provincial reassessment - begun in 1976 - is almost complete, and work has begun on computerization and the public education program. The question that must be answered, however, is whether or not the Province -- as some City politicians charge -- is, in fact, "stalling."

There is no doubt that the Province could move somewhat faster than it is if it allocated more resources. Nevertheless, as the following sections on Ontario indicate, implementing property tax reform is an expensive and complex undertaking. In other words, while one can criticize the Province's self-imposed timetable of 36-40 months, implementing the recommendations sooner involves, at best, shortening this timetable by perhaps a year or eighteen months.

Is there, however, a middle ground between total implementation and the current, unacceptable situation? The answer is yes. At this point it is important to closely consider the recent demands

made by City Council that the Province implement some of the proposed assessment reforms immediately, especially the recommendations relating to the classification of property and portioning.[26] The effect of this approach, it is argued, would be to lessen the impact of reassessment in terms of gradually shifting the tax load between classes of properties.

The M.A.R.C. Report, in fact, contained a section that proposed such a step being taken as a "stage" in the move to a fully reformed system. This stage involved the establishment, by the Province, of criteria for the classification of property and the portion of such values that were to be used as the assessment of the property. Once in place, reassessments were to proceed and new assessment rolls were to be prepared.

In making this recommendation, the M.A.R.C. Report noted that the assessment developed in this manner would have "certain flaws." It stressed, however, that in no case would the flaws be greater than those in the existing assessment. Indeed, many of the existing flaws would be corrected or at least reduced.[27]

This approach has substantial merit. It is, however, predicated on the co-operation of civic and provincial officials and, to date at least, this co-operation has not been forthcoming. It is, for example, the Province's strongly-held view that before it takes any steps toward a reformed system, the City of Winnipeg must up-date its assessment rolls to 1980 values. The argument is based on the not unreasonable view that the City must itself accept responsibility for not reassessing since 1962. The Province also argues that this step would remove many of the existing inequities and provide the data base for establishing the criteria for a new classification system and for portioning. Put in its most simple terms, the Province insists that the City must make the first move toward removing the

current inequities.[28]

The Province's case for insisting that the City up-date its assessment rolls is also based on another, more important argument. The Province believes that portioning and classification cannot be implemented or designed for only one municipality. The presence of a province-wide, education support levy dictates that classification and portioning be done on a uniform basis for the whole Province. Establishing portions and classes for the City of Winnipeg only would mean that the assessed values that would be subject to taxation would differ from one area of the Province to another. Thus, the scheme has to be introduced Province-wide.

The Province's view of the situation is understandable in political terms since the City does bear most of the responsibility for the current inequities. Nevertheless, the Province -- both in the sense of the current administration and its predecessors -- is not blameless. Indeed, two issues can be laid at the feet of the Province, one of which is far more serious than the other. The first and more serious issue relates to the Province's responsibility as the senior government for administering both the Municipal Assessment Act and the City of Winnipeg Act. Pursuant to Section 12(2-3) of the Municipal Assessment Act, the Provincial Cabinet has the power to:

> 12(2)...
>
> (d) make regulations or orders applicable generally or to a municipality,
>
> (i) for resolving any doubt as to matters of procedure arising from the concurrent administration of the provisions of this section and any other provisions of this Act, or of any other Act of the Legislature,
>
> (ii) for providing the cases and circumstances that may arise under this section for which no provision, or no adequate provisions, are made in this Act or any other Act of the Legislature.
>
> Am. S.M. 1976, c.52,s.10.

Effect of Regulations

12(3)...

Regulations and orders made under clause (b) or (d) of subsection (2) are binding upon all persons, and municipalities, including The City of Winnipeg.

In other words, the Province could immediately clarify any lingering doubts concerning the City's situation. It could order the City to undertake a reassessment immediately based on 1980 values or, for that matter, 1984 values. Furthermore, given the fact that the City of Winnipeg has not reassessed every three years as required by the City of Winnipeg Act, it could order the City to do so.

The reason for the Province's reluctance to fulfill its obligations is clear. The Province - rather than the City - would be viewed as the culprit by the voters and, for obvious reasons, the Province has decided not to act. The Minister of Municipal Affairs' current position is that he will not intervene unless and until the City of Winnipeg reassesses properties to 1980 values. In his view, the City must accept responsibility for not reassessing its own properties since 1962. The Minister does claim, however, that if the City goes this far, he will co-operate in any way that he can both in reassessment and with the implementation of many of the M.A.R.C. recommendations.

The second issue that must be noted -- especially in light of the Province's charge that Winnipeg has not reassessed every three years -- is that the Province is required to reassess properties every five (5) years. The last general reassessment of the Province's municipalities was completed in 1975, and a new process -- based on 1975 values -- began in 1976. This process should have been completed by 1980-81 for the Province to have met its statutory obligations. Thus, clearly, the Province has not met its obligations.

It can be noted, however, that the situation outside of Winnipeg

is not nearly as serious as in the City. The process begun by the Province in 1976 is 90% complete; only 18 of 201 municipalities remain to be reassessed. Furthermore, as each municipality is re-assessed, the new values are used in preparing the tax rolls. In other words, the Province has not waited until every municipality has been reassessed before utilizing the new valuations.

8.0 ASSESSMENT REFORM IN ONTARIO

The "current disorder" in both the City of Winnipeg and the Province generally should not be viewed as a unique situation. Other jurisdictions face similar problems. It is useful to put Winnipeg's situation in this broader context.

8.1 Metropolitan Toronto

Real property assessment in Metropolitan Toronto is currently based on 1940 values and results in many of the same inequities that occur in Winnipeg. In 1982, an assessment reform committee was established and it recommended that Toronto convert to a market value system similar to that recommended by the M.A.R.C. Report. In dealing with the situation, 300,000 properties in Metro Toronto were reassessed in a six month period through the combined efforts of 350 Metro Toronto assessment staff and 450 assessment staff provided by the Province of Ontario.* In analysing the new data, it was discovered that major shifts within classes and between classes were necessary and a system of "rebates" was proposed as

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*Manitoba has approximately 525,000 properties - 365,000 outside the city. The Province has an assessment staff of 120; the City has an assessment staff of 110.

a means of implementing the new system. Metro Toronto turned to the Province for assistance with the rebate system, but the Province of Ontario claimed it would not provide the necessary funds. Instead, the Province decided to move forward on a regional basis or, to put it another way, to put off major changes until they could be implemented throughout the Province.[29] In short, the situation in Metro Toronto is not unlike that in Winnipeg -- both are examples of a lack of political responsibility.

8.2 The Hamilton Experience

If the Metro Toronto experience provides little ground for suggesting that there are fairly straightforward routes to assessment reform, the Hamilton experience suggests that reform is possible.

The problems encountered by Hamilton are similar to those in Winnipeg in many respects. Hamilton had not undertaken a general reassessment since 1952 and, by 1978, it was apparent that the City's assessment rolls contained widespread and major inequities. Properties in the City's affluent mountain suburbs were paying lower taxes than much less valuable properties in the City's core area.

As homeowners became aware of the inequities, applications were made to Hamilton's Board of Revision for a reduction in their own assessment. In 1978 alone, the City lost $1.8 million because of adjustments ordered by the Board of Revision. Faced with the continuing erosion of its tax base, Hamilton adopted a new system in 1978 whereby all properties would be assessed at market value, and assessed value would be governed by a system of property classification. Thus, one and two unit family dwellings were governed by an assessment factor of 10.469%. This meant that a dwelling valued at $100,000 would have an assessed value of $10,469 ($100,000 x 10.469%). Triplexes and fourplexes were in a different class and had a factor of 15.988%, and so on.

City officials realised that the assessment inequities were so vast that the system would have to be phased in and a method was devised to deal with this problem. Property owners whose taxes were to rise by more than 15% were given three years before they would be assessed for the entire amount. Conversely, property owners facing a reduction of more than 20% would wait three years for the total reduction to take effect.

Implementing the new system created "a certain amount of political fallout."[30] Some property owners had assessment increases reaching 2,600% and appeals before the Board of Revision jumped from 2,000 in 1978 to 10,000 in 1979. Nonetheless, the new and more equitable system was implemented. If nothing else, this case study demonstrates that assessment reform can proceed quickly if the political will is present.

9.0 THE EFFECTS OF PROPERTY TAXES ON THE DEVELOPMENT OF WINNIPEG: "PLANNING WITHOUT A PLAN"

The current situation in regard to real property assessment in Winnipeg has had serious consequences on the City's development patterns. Indeed, it is no exaggeration to say that grave consequences have already occurred and that the future vitality of parts of Winnipeg are in jeopardy. In other words, the lack of continual reassessment and the lack of assessment reform extends far beyond the specific matter of the "fair and just value" of an individual property owner's tax assessment.

It is not the purpose of this study to provide a detailed analysis of these consequences, but two issues can be readily identified, issues that have been publicly recognized by Winnipeg City Council.[31] First, certain key sectors of Winnipeg's downtown are languishing, in part because properties bear an unfair tax burden.

This means that Portage Avenue property owners, for example, must compete on an unfair basis with newer properties -- both in the downtown and in the suburbs. These newer properties pay lower taxes and thus have lower overhead costs. Conversely, older buildings -- many of which have high vacancy rates -- have higher overhead costs since taxes are a key "overhead" element. As an example, a retail store on Portage Avenue pays taxes of $18.33 per square foot while a retail store in River Heights pays $10.00 per square foot, including common area costs.

It is ironic that at a time when the City of Winnipeg is spending millions of dollars to revitalize downtown Winnipeg, it overburdens downtown property owners with unfair taxes.

A second issue relates to inner city housing. As noted in Table 1, many inner city homeowners pay inequitable taxes when measured against properties in the suburbs. While the exodus of residents from the inner city in recent years cannot be said to have been caused by tax inequities alone, these inequities have certainly played a part in the process. Furthermore, attracting new residents to the inner city is hindered by the perception that inner city properties bear an unfair tax burden. Again, it is ironic that Winnipeg's tax system works against other measures currently underway that are designed to revitalize the core area.[32]

10.0 CONCLUSIONS, AND A PLAN OF ACTION

This paper has identified two fundamental elements in the current situation regarding real peoperty assessments in Winnipeg: the lack of reassessment since 1962, and the need for assessment reform. In addition, it has been demonstrated that (a) many citizens are grossly and unfairly overtaxed (or undertaxed), and (b) that development patterns in Winnipeg are being adversely affected by an inequitable tax system. In the light of this evidence, it is possible to assert

the following conclusions:

1. The City of Winnipeg has not fulfilled its statutory obligations under the City of Winnipeg Act in that it has not reassessed property every three years. The last reassessment occurred in 1962 based on 1949-50 values (or 75% of 1957 values).

2. The current inequities are a clear and direct result of this lack of reassessment. As the Supreme Court of Canada stated in its December 1983 decision: "the failure to implement more frequent reassessment programs in the past had resulted in some significant inequities between classes of properties, individual properties, and taxing jurisdicitons."

3. The City of Winnipeg has the legal authority and the statutory obligation to reassess property on the basis of 1980 values. This process should be undertaken immediately and implemented as soon as possible. It is noteworthy here that even if the City refuses to take this action, it must reassess properties in the downtown area as a result of the Board of Revision's decision in the case of the Portage Avenue Property Owners decision. Since the City must reassess the downtown area, it should extend this reassessment to the entire City.

4. The City of Winnipeg has both a moral and a legal obligation to respect the law and to tax its citizens on a fair and equitable basis. It cannot, in the face of the evidence, lay the blame for more than twenty years of inaction in regard to reassessment at the feet of either the current, or former, provincial governments. Many of the City's tax problems are largely self-inflicted.

5. Notwithstanding the above, it can be reasonably argued that since the passage of Bill 100 in 1980, the City took the view that they could not reassess property. Thus, between July 1980 and December 1983 the lack of action on the part of the City of Winnipeg is understandable and acceptable.

6. As of December 1983, however, the Supreme Court of Canada ruled that reassessment was possible. The 1980 Act (Bill 100), the Supreme Court stated, froze "the technique to be applied in determining the assessment. In short, the yardstick and not the assessment is frozen." Reassessment, using the existing yardstick, is thus possible.

7. Were the City of Winnipeg to take the steps outlined above, City Council would be able to assert that it had taken a responsible position and could vigorously argue that it was the Province's turn to move.

8. The Province of Manitoba does not, however, emerge from this situation without some responsibility for the existing mess. While the current government inherited what was, at best, an unenviable political situation, it also has clear responsibilities as government. Municipalities, including the City of Winnipeg, are creatures of the Province. The Province is responsible for both the City of Winnipeg Act and the Municipal Assessment Act. It is, therefore, reasonable to assert that the Province has an obligation to ensure that its own legislation is complied with in all respects.

9. The Province is, itself, not following existing legislation in respect to reassessment of properties outside Winnipeg. It is required to reassess on a five year basis and it has been eight years since the last reassessment in 1975. It can be noted, however, that a reassessment was undertaken in 1976 and, according to the Minister, "is almost complete." The Province is obliged to explain this delay and to move with all due speed to complete the process and implement the new assessments.

10. The Province maintains that it is moving "in an orderly fashion" on the recommendations of the M.A.R.C. Report. There is evidence to support this position.

11. It can also be noted that implementing the M.A.R.C. Report recommendations is a complex task and, while it is legitimate to question the Province's estimated timetable of "36 to 40 months," it is not reasonable to assert that the M.A.R.C. Report recommendations should be implemented immediately in the City of Winnipeg. A strong case can be made for implementing the M.A.R.C. Report recommendations (in total or in part) only on a Province-wide basis.

12. The Province, however, does bear responsibility for not acting on the M.A.R.C. Report suggestion that part of the new system -- i.e., new classifications and portioning -- be implemented as an interim step. The Province has legislation that deals with these issues in place; the legislation could be proclaimed. It is necessary to emphasize, however, that this step can be taken only if the City and the Province work together in a co-operative fashion, and co-operation is predicated on goodwill, not pure

political motives. It is the contention of this report that the City's goodwill must first be demonstrated by beginning to clean up the mess the City itself created in Winnipeg (see #3, above). Once this step is taken, the Province will have no reasonable justification for not proclaiming Bill 105 or for not moving with utmost speed to implement other M.A.R.C. recommendations.

13. In this complex situation, the lines of political responsibility are clear. In the City's case, it bears prime responsibility and should, immediately, undertake a reassessment based on 1980 values. This action would, for the time being, relieve the City of any further responsibility for the current situation. The City would have every right to demand that the Province proclaim the classification and portioning legislation (Bill 105), and that it repeal Bill 33 which extended the freeze first put into place by Bill 100 indefinitely. These actions would allow reassessments to take place on the basis of 1984 values.

14. If the City did act, the Province would find itself facing massive pressure to implement the reforms recommended by M.A.R.C., and for introducing legislation designed to deal with the impact of a new system. It would have no excuse for not moving with "utmost speed."

Governments are elected to govern, and to govern responsibly. It is time for the citizens of Winnipeg to demand that their elected officials fulfill their legal and moral responsibilities.

NOTES

1. Manitoba Assessment Review Committee, A Fair Way To Share: Report of the Manitoba Assessment Review Committee (March 1982), 12. Hereinafter referred to as the M.A.R.C. Report.

2. The City of Winnipeg Assessment Department, Assessment Administration in the City of Winnipeg. A copy of this document was forwarded to the Institute in August 1984.

3. M.A.R.C. Report, 1-2.

4. City of Winnipeg Act, Statutes of Manitoba, c. 105 (1971). It must also be noted that under the former Winnipeg Charter, which governed Winnipeg prior to 1971, the City was also obligated to reassess every three years. See S.M., c. 87 (1956).

5. Mayor Norrie in press release dated July 6, 1984.

6. Ibid.

7. M.A.R.C. Report, 278.

8. Ibid., 296.

9. Ibid., 281.

10. Interview with Robert Clarkson, Secretary to M.A.R.C., August 21, 1984.

11. Interview with Councillor Abe Yanofsky, Chairman of City of Winnipeg Finance Committee, August 28, 1984.

12. M.A.R.C. Report, 9.

13. Ibid., 266.

14. Ibid.

15. Ibid., 28-72.

16. Ibid., 268.

17. Board of Revision decision, dated June 26, 1984.

18. Mayor Norrie in press release dated July 6, 1984.

NOTES (Continued)

19. Acting Provincial Municipal Assessor in interview, October 25, 1984. Winnipeg's Solicitor refuses to clarify the City's position.

20. Report "A" of Executive Policy Committee, dated February, 10, 1983, clause 2. See also letter of Mayor Norrie to the Minister for Urban Affairs, dated October 14, 1982, and the attachment thereto which is a report of an "ad hoc" committee that studied the M.A.R.C. Report. These documents supported the freeze.

21. Statements made in interviews conducted in August 1984.

22. Winnipeg Free Press, August 29, 1984, 3.

23. Information provided by Minister of Municipal Affairs in interview, October 25, 1984.

24. Press Release dated June 22, 1984.

25. M.A.R.C. Report, 254.

26. Winnipeg Free Press, editorials of June 30 and July 9, 1984, and Mayor Norrie's press release dated July 6, 1984.

27. M.A.R.C. Report, 255. It is the Province's contention, however, that this approach can be implemented only on a province-wide basis. See below.

28. Interview with Minister of Municipal Affairs, October 25, 1984.

29. This data is based on several interviews with officials in Toronto.

30. Statement of Lindsay Nelson, Supervisor of Taxation, City of Hamilton.

31. Winnipeg Free Press, August 29, 1984, 3.

32. A recent case in point concerns Point Douglas property owners.

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The Institute of Urban Studies (IUS) was created by the University of Winnipeg in 1969 at a time when the city's "urban university" perceived a need to address the problems and concerns of the inner city. From the outset, IUS was both an academic research centre and an innovative, action-oriented community resource. The Institute has always been committed to examining urban development issues in a broad context and has never lost sight of the demands of applied research aimed at practical, often novel, solutions to urban problems. In recent years, however, IUS has expanded its research mandate to include the examination of issues faced by rural, remote and northern communities with a special focus on western Canada and the North.

The Institute of Urban Studies is a multiple-function centre that undertakes to encourage, facilitate and engage in independent, multi-disciplinary research on a select range of topics (including housing, community and neighbourhood development, urban policy and municipal government, community economic development, program and agency evaluation, and social-demographic issues); to promote and engage in formal and informal education and community outreach programs (including an undergraduate urban studies majors program, workshops, conferences, seminars, etc.); and to conduct mission-oriented and applied research.

The Institute has an active publications program that includes a major scholarly journal, a quarterly newsletter, major reports, research and working papers, monographs, and occasional publications.

The Institute is an institutional member of the following organizations: the Social Science Federation of Canada, the Association for Canadian Studies, the Urban Land Institute, the Urban Affairs Association, the International New Towns Association, the International Federation for Housing and Planning, the Association of Canadian University Planning Programs, the Canadian Council on Social Development, the Canadian Urban History Association, the Canadian Association of Housing and Renewal Officials, the Livable Winter City Association, the International Downtown Executives Association, the Canada West Foundation, the Canadian Association of Threatened Single Industry Towns, the Social Planning Council of Winnipeg, the Downtown Winnipeg Association, and several other local or regional bodies.

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